Florida Community Loan Fund, Inc.

Financial Report
June 30, 2013 and 2012

McGladrey

Assurance ▪ Tax ▪ Consulting

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McGladrey

Independent Auditor's Report

To the Board of Directors
Florida Community Loan Fund, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Community Loan Fund, Inc. which comprise the statements of financial position as of June 30, 2013 and 2012, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Community Loan Fund, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Orlando, Florida
October 28, 2013

Florida Community Loan Fund, Inc.

Statements of Financial Position
June 30, 2013 and 2012

	2013	2012
Assets		
Current Assets:		
Cash and cash equivalents	**$ 12,675,961**	$ 12,925,922
Other receivables	**-**	20,000
Pledges receivable	**10,500**	10,500
Investments	**600,544**	-
Loans receivable, net of allowance for loan losses in 2013 $223,026; 2012 $141,654	**2,570,672**	1,881,883
Other current assets	**288,192**	284,144
Total current assets	**16,145,869**	15,122,449
Pledges Receivable, net of current portion	**11,911**	20,422
Loans Receivable, net of allowance for loan losses in 2013 $791,998; 2012 $892,196	**15,549,652**	13,313,263
Furniture and Equipment, net of accumulated depreciation in 2013 $130,297; 2012 of $114,344	**26,494**	40,367
Total assets	**$ 31,733,926**	$ 28,496,501
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	**$ 276,564**	$ 393,255
Notes payable, bonds payable and lines of credit, current portion	**1,180,819**	881,489
Other liabilities – equity equivalent investments, current portion	**500,000**	1,250,000
Total current liabilities	**1,957,383**	2,524,744
Notes Payable, Bonds Payable and Lines of Credit, net of current portion	**9,890,251**	9,831,069
Other Liabilities – Equity Equivalent Investments, net of current portion	**2,750,000**	500,000
Total liabilities	**14,597,634**	12,855,813
Commitments and Contingencies (Notes 5, 7, 10 and 11)		
Net Assets:		
Unrestricted		
Designated by the Board for loans	**13,457,040**	13,424,290
Undesignated	**3,638,841**	2,167,476
Temporarily restricted	**40,411**	48,922
Total net assets	**17,136,292**	15,640,688
Total liabilities and net assets	**$ 31,733,926**	$ 28,496,501

See Notes to Financial Statements.

Florida Community Loan Fund, Inc.

Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	2013 Total
Revenues:			
Grants and contributions	$ 525,264	$ 189	$ 525,453
Interest on bank deposits	4,350	-	4,350
Interest on loans receivable	1,024,767	-	1,024,767
Fees and other	2,033,556	-	2,033,556
Net assets released from restrictions	8,700	(8,700)	-
Total revenues	3,596,637	(8,511)	3,588,126
Expenses:			
Payroll and related costs	1,208,442	-	1,208,442
Interest expense	317,993	-	317,993
Professional fees	229,956	-	229,956
Office and administrative	142,479	-	142,479
Occupancy	72,047	-	72,047
Other	46,957	-	46,957
Provision for loan losses	25,188	-	25,188
Membership and training	19,660	-	19,660
Depreciation	15,953	-	15,953
Marketing	13,847	-	13,847
Total expenses	2,092,522	-	2,092,522
Change in net assets	1,504,115	(8,511)	1,495,604
Net assets:			
Beginning	15,591,766	48,922	15,640,688
Ending	$ 17,095,881	$ 40,411	$ 17,136,292

See Notes to Financial Statements.

Florida Community Loan Fund, Inc.

Statement of Activities
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	2012 Total
Revenues:			
Grants and contributions	$ 4,168,500	$ 6,090	$ 4,174,590
Interest on bank deposits	15,021	-	15,021
Interest on loans receivable	809,844	-	809,844
Fees and other	892,709	-	892,709
Net assets released from restrictions	7,500	(7,500)	-
Total revenues	5,893,574	(1,410)	5,892,164
Expenses:			
Payroll and related costs	1,208,110	-	1,208,110
Interest expense	373,822	-	373,822
Professional fees	137,004	-	137,004
Office and administrative	124,713	-	124,713
Occupancy	65,898	-	65,898
Other	24,667	-	24,667
Membership and training	18,016	-	18,016
Depreciation	17,639	-	17,639
Marketing	14,289	-	14,289
Provision for loan losses (recoveries)	(105,950)	-	(105,950)
Total expenses	1,878,208	-	1,878,208
Change in net assets	4,015,366	(1,410)	4,013,956
Net assets:			
Beginning	11,576,400	50,332	11,626,732
Ending	$ 15,591,766	$ 48,922	$ 15,640,688

See Notes to Financial Statements.

Florida Community Loan Fund, Inc.

Statement of Functional Expenses
Year Ended June 30, 2013

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	2013 Total Expenses
Payroll and related costs	$ 876,584	$ 211,312	$ 120,546	$ 331,858	$ 1,208,442
Interest expense	317,993	-	-	-	317,993
Professional fees	118,954	105,063	5,939	111,002	229,956
Office and administrative	95,367	37,625	9,487	47,112	142,479
Occupancy	52,262	12,598	7,187	19,785	72,047
Other	46,957	-	-	-	46,957
Provision for loan losses	25,188	-	-	-	25,188
Membership and training	19,660	-	-	-	19,660
Depreciation	11,572	2,790	1,591	4,381	15,953
Marketing	12,462	-	1,385	1,385	13,847
Total expenses	$ 1,576,999	$ 369,388	$ 146,135	$ 515,523	$ 2,092,522

See Notes to Financial Statements.

Florida Community Loan Fund, Inc.

Statement of Functional Expenses
Year Ended June 30, 2012

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	2012 Total Expenses
Payroll and related costs	$ 841,263	$ 240,478	$ 126,369	$ 366,847	$ 1,208,110
Interest expense	373,822	-	-	-	373,822
Professional fees	88,233	48,275	496	48,771	137,004
Office and administrative	83,474	31,989	9,250	41,239	124,713
Occupancy	46,015	12,968	6,915	19,883	65,898
Other	24,667	-	-	-	24,667
Membership and training	18,016	-	-	-	18,016
Depreciation	12,317	3,471	1,851	5,322	17,639
Marketing	12,860	-	1,429	1,429	14,289
Provision for loan losses (recoveries)	(105,950)	-	-	-	(105,950)
Total expenses	$ 1,394,717	$ 337,181	$ 146,310	$ 483,491	$ 1,878,208

See Notes to Financial Statements.

Florida Community Loan Fund, Inc.

Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities		
Change in net assets	$ 1,495,604	$ 4,013,956
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,953	17,639
Provision for loan losses (recoveries)	25,188	(105,950)
Loss on other real estate owned	9,000	-
Changes in operating assets and liabilities:		
Pledges receivable	8,511	1,410
Other receivables	20,000	(20,000)
Other current assets	(103,048)	(38,403)
Accounts payable and accrued liabilities	(116,691)	88,374
Net cash provided by operating activities	1,354,517	3,957,026
Cash Flows From Investing Activities		
Purchase of investments	(600,544)	-
Withdrawal of certificate of deposit	-	2,072,779
Loan funds disbursed	(5,296,631)	(4,639,235)
Repayment of loans disbursed	2,436,265	843,663
Purchase of furniture and equipment	(2,080)	(1,515)
Net cash used in investing activities	(3,462,990)	(1,724,308)
Cash Flows From Financing Activities		
Proceeds from notes payable, bonds payable and lines of credit	2,975,000	-
Principal payments on notes payable, bonds payable and lines of credit	(1,116,488)	(1,300,189)
Repayment of other liabilities – equity equivalent investments	-	(2,000,000)
Net cash provided by (used in) financing activities	1,858,512	(3,300,189)
Net decrease in cash and cash equivalents	(249,961)	(1,067,471)
Cash and cash equivalents:		
Beginning	12,925,922	13,993,393
Ending	$ 12,675,961	$ 12,925,922
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	$ 315,388	$ 372,285
Supplemental Disclosure of Noncash Investing and Financing Activities		
Proceeds from sale of other real estate owned satisfied by the disbursement of a note receivable	$ 90,000	$ -
Conversion of notes payable into other liabilities – equity equivalent investments	$ 1,500,000	$ -

See Notes to Financial Statements.

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: The Florida Community Loan Fund, Inc. (the Loan Fund or Organization) was incorporated in 1994 as a not-for-profit Florida corporation and is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. The Loan Fund provides loans primarily to qualifying not-for-profit organizations that provide social services, affordable housing and economic development programs for low-income communities and their residents throughout Florida. Also, the Loan Fund provides on-site technical assistance to its not-for-profit borrowers and prospective borrowers through partnerships with leading technical assistance providers in the state. The United States Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) certified the Loan Fund as a Community Development Financial Institution (CDFI) in 1996. The Loan Fund is also certified as a Community Development Entity (CDE) under the New Markets Tax Credits (NMTC) Program of the United States Department of the Treasury.

The Loan Fund receives support from financial institutions, foundations, religious and non-profit organizations, individuals and Federal and State agencies through low-interest loans, permanent loan capital grants and operating grants. Internal sources of revenue includes interest and fees from its loan programs, upfront and ongoing fees from its NMTC program and interest income on idle capital.

A summary of the Loan Fund's significant accounting policies follows:

Basis of financial statement presentation: A not-for-profit organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Loan Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will be maintained permanently by the Loan Fund.

The Loan Fund's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates that are particularly susceptible to change in the near term include the allowance for loan losses. Actual results could differ from those estimates.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Grants and contributions: The Loan Fund reports gifts of cash and other assets received as restricted support if they are received with donor stipulations that limit the use of the donated assets and the restrictions are not met in the period that the contribution is received. When a donor restriction expires by either actions of the Loan Fund or the passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions receivable, which represent unconditional written promises to give, are revenues in the period when the written promise is received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met.

Grant revenue is recognized upon receipt of the funds. During 2013 and 2012, the Loan Fund received $0 and $1,500,000, respectively, of federal funds from the CDFI Fund in the form of a grant, which were expended as of June 30, 2012. During 2010, the Loan Fund received $4,802,490 of state funds from Florida Housing Finance Corporation in the form of a grant as initial capital of the Florida Preservation Fund. During the years ended June 30, 2013 and 2012, approximately $427,500 and $2,018,000, respectively, of the state funds were expended. Under terms of the Florida Housing grant agreement, the Loan Fund might be required to repay undisbursed amounts if annual performance benchmarks are not met; at June 30, 2013, the Loan Fund was in compliance with the grant agreement.

Fees: The Loan Fund receives fees in connection with the New Markets Tax Credit Program (Program). Allocation fees from the Program are recognized upon the closing of the transaction, receipt of the funds and once any other terms of the allocation fee agreement are satisfied. Management fees under the Program are recognized annually based upon the terms in the management agreement.

Cash and cash equivalents: The Loan Fund considers cash equivalents to include any investment in money market funds, certificates of deposit, commercial paper, treasury bills and investment securities with maturities at the time of purchase of three months or less. The Loan Fund maintains cash and cash equivalents with various major financial institutions. They are insured by the Federal Deposit Insurance Corporation (FDIC). From time to time, balances may exceed amounts insured by the FDIC.

Investments: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains and losses are recognized when securities are sold. Unrealized gains and losses are recognized as the change in fair value of securities between reporting periods. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Loans receivable: Loans are stated at the principal amount outstanding. The allowance for loan losses is netted with loans receivable. Interest income on loans is accrued at the loan's stated interest rate on the principal balance outstanding.

It is the policy of the Loan Fund to discontinue the accrual of interest when loan payments are delinquent for 90 days based on contractual terms, and, in management's opinion, the timely collection of interest or principal becomes uncertain, unless the loan principal and interest are determined by management to be fully collateralized and in the process of collection. Any unpaid amounts of interest previously accrued on these delinquent loans are then reversed from income. Interest on these loans is recognized when paid by the borrower only if collection of principal is likely to occur. A nonaccrual loan may be reinstated to an accrual status when contractual principal and interest payments are current and collection is reasonably assured.

Allowance for loan losses: The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged-off against the allowance when management determines that the loan is uncollectible. Subsequent recoveries of amounts previously charged-off are credited to the allowance. The allowance for loan losses consists of specific and general components and is maintained at a level believed adequate by management to absorb estimated losses inherent in the portfolio after considering various factors, including prevailing economic conditions, diversification and size of the loan portfolio, current financial status and credit standing of the borrowers, the status and level of non-performing assets, past loan loss experience and adequacy of collateral and specific impaired loans. The specific component relates to loans that are individually classified as impaired.

The allowance for loan losses is allocated between current and long-term on the accompanying statements of financial position based on a specific identification method to be consistent with the classification of the associated loan receivable balance.

Management has categorized loans into risk categories generally based on the nature of the project. These risk categories and the relevant risk characteristics are as follows:

Affordable/supportive housing – Affordable/supportive housing loans are loans and lines of credit for constructions or rehabilitation of low-and moderate-income communities throughout Florida including single family, multi-family, supportive housing including social services for residents and preservation of multi-family affordable rental housing. Affordable/supportive housing loans generally have terms of up to ten years with amortizations of up to 30 years and interest rates that generally range from 3.0%-7.75%. Loans for land acquisition and/or construction also run the risk that projects will not be completed on time or in accordance with specifications and projected costs. All of such loans are secured by real estate or liquid collateral.

Community facilities – Community facility loans are loans and lines of credit for construction and rehabilitation of family health care centers, educational facilities and social services facilities. Community facility loans generally have terms of up to ten years with amortizations of up to 30 years and interest rates that generally range from 4.5%-7.75%. Loans for land acquisition and/or construction also run the risk that projects will not be completed on time or in accordance with specifications and projected costs. All of such loans are secured by real estate or liquid collateral.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Economic development – Economic development loans are loans and lines of credit for commercial real estate projects that stimulate economic development in low-to moderate-income areas. Economic development loans generally have terms of up to ten years with amortizations of up to 30 years and interest rates that generally range from 4.5%-7.75%. Loans for land acquisition and/or construction also run the risk that projects will not be completed on time or in accordance with specifications and projected costs. All of such loans are secured by real estate or liquid collateral.

A loan is considered impaired when, based on current information and events, it is probable that the Loan Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. The Loan Fund monitors all loans in the portfolio on an ongoing basis and reviews loan classifications for all loans in the portfolio in accordance with its lending policies. The amount of impairment, if any, is measured on a loan-by-loan basis as either the present value of expected future cash flows discounted at the loan's effective interest rate or the loan's observable market price, or the fair value of the collateral less estimated selling costs if the loan is collateral dependent, and is included in the allowance for loan losses.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported at the fair value of the collateral less estimated selling costs. For troubled debt restructurings that subsequently default, the Loan Fund determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

Other real estate owned: Assets acquired through, or in lieu of, foreclosure are held for sale and initially recorded at fair value less estimated costs of sale at the date of acquisition. Subsequent to acquisition, the assets are carried at the lower of the carrying value established at acquisition or fair value less cost to sell. Subsequent write-downs are recorded through a charge to the statement of activities. Expenses incurred from ownership of the property, net of income received, and changes in the valuation allowance are included in other expenses. Sales are recognized upon passage of title to the buyer. As of June 30, 2012, other real estate owned of $108,000 is included in other current assets. During the year ended June 30, 2013, all other real estate owned was sold to an unrelated third party.

The Loan Fund acquired the assets underlying the loans with a participating interest. As of June 30, 2012, $54,000 was payable to the other entity for its interest in the proceeds from the future disposition of those assets. During the year ended June 30, 2013, all amounts outstanding were repaid in full.

Furniture and equipment: Furniture and equipment is carried at cost less accumulated depreciation. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is calculated on the straight-line method over estimated useful lives ranging from five to seven years. Major renewals, betterments, and replacements are capitalized. Maintenance and repairs are charged to expense as incurred.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Impairment of long-lived assets: Long-lived assets are evaluated for impairment whenever events or changes in circumstances have indicated that an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest charges) is less than the carrying value of the assets, the assets will be written down to the estimated fair value and such loss is recognized in income from continuing operations in the period in which the determination is made. Management determined that no impairment of long-lived assets existed as of June 30, 2013 and 2012.

Other liabilities – equity equivalent investments: Other liabilities are subordinated promissory notes with a rolling term (maturity) feature that lenders are classifying as Equity Equivalent Investments (EQ2). EQ2's are unique to the CDFI industry. They were created as a mechanism for not-for-profit CDFI's to acquire equity-like capital.

Below market interest rate loans: Accounting principles generally accepted in the United States of America require not-for-profit organizations to record interest expense (income) and contribution revenue (expense) in connection with loans that are interest free or that have below market interest rates. The Loan Fund believes there is no material difference between prevailing community development finance market rates and the stated rates of loans receivable in its portfolios, notes payable or other liabilities. Consequently, no adjustments have been made to the financial statements to reflect rate differentials.

Income taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements. In addition, management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before June 30, 2010.

Fair value measurements: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Loan Fund uses various methods including market and income approaches. Based on these approaches, the Loan Fund often uses certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Loan Fund uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Subsequent events: Management has assessed subsequent events through October 28, 2013, the date the financial statements were available to be issued.

New accounting pronouncements: The FASB issued new or modifications to, or interpretations of, existing accounting guidance during 2013. The Loan Fund has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in these notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Loan Fund's reported financial position or activities.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Recently adopted accounting pronouncements: In April 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-02, *A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring*. Under ASU 2011-02, a restructuring constitutes a troubled debt restructuring if the following criteria are met: (1) the restructuring constitutes a concession and (2) the debtor is experiencing financial difficulties. This ASU was effective for annual reporting periods ending after December 15, 2012 and was adopted by the Loan Fund on July 1, 2012.

Note 2. New Markets Tax Credit Program

The Loan Fund has been granted status by the United States Departments of the Treasury as a certified Community Development Entity (CDE), under the New Markets Tax Credit Program (NMTC) administered by the CDFI Fund. During fiscal years 2004, 2010, 2011 and 2012, the Loan Fund received allocations totaling $15 million, $45 million, $21 million and $30 million, respectively, for this program. In fiscal year 2013, the Loan Fund received an additional $40 million allocation. The Loan Fund has formed sixteen CDEs (collectively the CDE LLCs), the first ten of which have been activated as of June 30, 2013: The Florida Community New Markets Fund, LLC; The Florida Community New Markets Fund II, LLC; The Florida Community New Markets Fund III, LLC; The Florida Community New Markets Fund IV, LLC; Florida Community New Markets Fund V, LLC; Florida Community New Markets Fund VI, LLC; Florida Community New Markets Fund VII, LLC; Florida Community New Markets Fund VIII, LLC; Florida Community New Markets Fund IX, LLC; and Florida Community New Markets Fund X, LLC. The other six CDE LLCs have been formed for the NMTC allocations but have conducted no financial activity as of June 30, 2013.

The CDE LLCs were formed as Florida limited liability companies in which the Loan Fund will serve as the Managing Member with a 0.01% interest and unrelated Investor Members as regular members with a 99.99% interest. These entities have been consolidated into the Investor Members under accounting guidance for consolidations.

The active CDE LLCs have made qualified low-income community investments (QLICIs) within the meaning of the NMTC program and IRC Section 45D. The Loan Fund entered into agreements with the Investor Members who provided approximately $100,850,000 in cumulative qualified equity investments (QEIs) as of June 30, 2013 to make QLICIs from the active CDE LLCs. By making QLICIs, the CDE LLCs enable Investor Members to claim approximately $39,331,500 of NMTC over seven-year credit period. For its participation in establishing the CDE LLCs and underwriting the QLICIs, the Loan Fund earned upfront fees of $1,525,000 and $505,750 as of June 30, 2013 and 2012, respectively, which are included as a component of fees and other in the accompanying statements of activities.

Terms of the agreements with the Investor Members require the Loan Fund to maintain certain covenants to avoid recapture of NMTC and possible reimbursement of a portion of upfront fees it has received. At June 30, 2013, the Loan Fund is in compliance with all covenants that would cause a recapture of NMTC and management expects to maintain compliance throughout the seven-year life of each NMTC.

Note 3. Investments

A summary of the Loan Fund's investments at fair value as of June 30, 2013 is as follows:

Mutual Funds -		
Short-term bonds	$	600,544

The Loan Fund did not hold any investments as of June 30, 2012.

The Loan Fund invests in various investment securities in accordance with its investment policy. These investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in their values, it is reasonable to expect that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the investment balance.

Note 4. Participated Loans and Loan Servicing

The transfer of loan participations by the Loan Fund meet the requirements to be recognized as sale transactions and, as such, participations are excluded from loans receivable and liabilities in the accompanying statements of financial position.

Loans serviced for others, as lead lender in participation agreements, are not included in the accompanying statements of financial condition. The unpaid principal balances of loans serviced for others at June 30, 2013 and 2012 are as follows:

	2013	2012
Loan portfolio serviced for:		
Miami Coalition for the Homeless	**$ 370,366**	$ 397,327
Enterprise Community Loan Fund	**-**	415,695
	$ 370,366	$ 813,022

Note 5. Loans Receivable

Loans receivable from not-for-profit corporations at June 30, 2013 and 2012 are classified as follows:

	2013	2012
Loans By Collateral:		
3.0% – 7.75% and 4.0% – 7.75%, respectively,		
Secured By Real Estate (Mortgage)	**$ 19,135,348**	$ 16,201,621
5%, Secured by Certificate of Deposit	**-**	27,375
	19,135,348	16,228,996
Less allowance for loan losses	**(1,015,024)**	(1,033,850)
	$ 18,120,324	$ 15,195,146

Note 5. Loans Receivable (Continued)

Scheduled principal payments on loans receivable subsequent to June 30, 2013 are as follows:

Years Ending June 30,	Amount
2014	$ 2,793,698
2015	1,460,921
2016	1,851,858
2017	1,327,388
2018	354,917
Thereafter	11,346,566
	$ 19,135,348

	June 30, 2013	
	Outstanding	**Undisbursed**
Loans by type:		
Affordable/supportive housing	**$ 14,893,947**	**$ 2,086,432**
Community facilities	**2,693,175**	**85,507**
Economic development	**1,548,226**	**-**
	$ 19,135,348	**$ 2,171,939**

	June 30, 2012	
	Outstanding	Undisbursed
Loans by type:		
Affordable/supportive housing	$ 12,959,806	$ 2,832,782
Community facilities	1,687,522	552,146
Economic development	1,581,668	-
	$ 16,228,996	$ 3,384,928

The undisbursed portion of loans shown above are loans closed but not fully disbursed and are available to be drawn upon by the borrowers, such as construction loans and lines of credit.

Note 5. Loans Receivable (Continued)

As part of the on-going monitoring of the credit quality of the Loan Fund's loan portfolio, management categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt and comply with various terms of their loan agreements. The Loan Fund considers current financial information, historical payment experience, credit documentation, public information and current economic trends. Generally, all loans receive a financial review no less than twice per year to monitor and adjust, if necessary, the credit's risk profile.

The Loan Fund categorizes loans into the following risk categories based on relevant information about the ability of borrowers to service their debt:

> Excellent/Acceptable – The loan is well protected by the current worth and paying capacity of the borrower (or guarantors, if any) or by the fair value, less cost to acquire and sell, of any collateral in a timely manner.
>
> Weak – A loan with a risk rating of 5 has potential weaknesses and deserves closer attention by management. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Loan Fund's credit position at some future date. Weak loans are not adversely classified and do not expose the Loan Fund to sufficient risk to warrant adverse classification.
>
> Inadequate/Substandard – An inadequate/substandard loan, or risk rating of 6 through 8, is a loan with well-defined weaknesses that puts repayment at risk. These loans are often inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. These loans are characterized by the possibility that the Loan Fund will sustain some loss of principal and/or interest if the risks are not addressed.
>
> Doubtful – A loan that has weaknesses, or a risk rating of 9, inherent in the inadequate/substandard category, with the added risk that the weaknesses make collection in full, on the basis of currently known facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely likely, but it is not identified at this point due to pending factors.
>
> Loss – A loan classified as loss, or risk rated 10, is considered uncollectible and of such little value that its continuance on the Loan Fund's books as an asset is not warranted. This classification does not necessarily mean that an asset has no recovery value; but rather, there is much doubt about whether, how much, or when the recovery would occur. As such, it is not practical or desirable to defer the write-off. Therefore, there is no balance to report.

Note 5. Loans Receivable (Continued)

The following tables present the risk category of loans evaluated by internal asset classification based on the most recent analysis performed at June 30, 2013 and 2012:

	2013			
	Excellent/ Acceptable	**Weak**	**Inadequate/ Substandard**	**Total**
Affordable/supportive housing	**$ 12,968,505**	**$ 1,009,638**	**$ 915,804**	**$ 14,893,947**
Community facilities	**1,904,032**	**-**	**789,143**	**2,693,175**
Economic development	**1,069,988**	**478,238**	**-**	**1,548,226**
	$ 15,942,525	**$ 1,487,876**	**$ 1,704,947**	**$ 19,135,348**

	2012			
	Excellent/ Acceptable	Weak	Inadequate/ Substandard	Total
Affordable/supportive housing	$ 11,828,527	$ 502,946	$ 628,333	$ 12,959,806
Community facilities	910,820	-	776,702	1,687,522
Economic development	1,086,188	495,480	-	1,581,668
	$ 13,825,535	$ 998,426	$ 1,405,035	$ 16,228,996

As of June 30, 2013 or 2012, there were no loans classified as doubtful or loss.

Changes in the allowance for loan losses for the years ended June 30, 2013 and 2012 are as follows:

	2013			
	Affordable/ Supportive Housing	**Community Facilities**	**Economic Development**	**Total**
Beginning balance	**$ 781,388**	**$ 140,292**	**$ 112,170**	**$ 1,033,850**
Provision for loan losses (recoveries)	**63,574**	**(35,497)**	**(2,889)**	**25,188**
Recoveries of amounts previously charged off	**8,125**	**21,507**	**-**	**29,632**
Write-off of uncollectible loans	**(73,646)**	**-**	**-**	**(73,646)**
Ending balance	**$ 779,441**	**$ 126,302**	**$ 109,281**	**$ 1,015,024**
End of year allowance amount allocated:				
Loans individually evaluated for impairment	**$ 70,365**	**$ 37,794**	**$ -**	**$ 108,159**
Loans collectively evaluated for impairment	**709,076**	**88,508**	**109,281**	**906,865**
	$ 779,441	**$ 126,302**	**$ 109,281**	**$ 1,015,024**
Loans:				
Individually evaluated for impairment	**$ 915,804**	**$ 789,143**	**$ -**	**$ 1,704,947**
Collectively evaluated for impairment	**13,978,143**	**1,904,032**	**1,548,226**	**17,430,401**
	$ 14,893,947	**$ 2,693,175**	**$ 1,548,226**	**$ 19,135,348**

Note 5. Loans Receivable (Continued)

	2012			
	Affordable/ Supportive Housing	Community Facilities	Economic Development	Total
Beginning balance	$ 750,958	$ 211,554	$ 139,385	$ 1,101,897
Provision for loan losses (recoveries)	(7,473)	(71,262)	(27,215)	(105,950)
Recoveries of amounts previously charged off	80,000	-	-	80,000
Write-off of uncollectible loans	(42,097)	-	-	(42,097)
Ending balance	$ 781,388	$ 140,292	$ 112,170	$ 1,033,850
End of year allowance amount allocated:				
Loans individually evaluated for impairment	$ 160,934	$ 93,309	$ -	$ 254,243
Loans collectively evaluated for impairment	620,454	46,983	112,170	779,607
	$ 781,388	$ 140,292	$ 112,170	$ 1,033,850
Loans:				
Individually evaluated for impairment	$ 628,333	$ 776,702	$ -	$ 1,405,035
Collectively evaluated for impairment	12,331,473	910,820	1,581,668	14,823,961
	$ 12,959,806	$ 1,687,522	$ 1,581,668	$ 16,228,996

As of June 30, 2013, there are three affordable housing loans and one community facility loan with a total outstanding balance of $777,066 which are less than thirty days past due, and there is one affordable housing loan with an outstanding balance of $315,203, which is greater than ninety days past due but not accruing interest. As of June 30, 2012, there were no loans past due.

Information about nonaccrual and impaired loans as of and for the years ended June 30, 2013 and 2012 is summarized as follows:

	2013		
	Affordable/ Supportive Housing	**Community Facilities**	**Total**
Impaired loans with a valuation allowance	**$ 600,601**	**$ 249,143**	**$ 849,744**
Impaired loans without a valuation allowance	**315,203**	**540,000**	**855,203**
Average investment in impaired loans during 2013	**772,068**	**782,923**	**1,554,991**
Allowance related to impaired loans	**70,365**	**37,794**	**108,159**
Loans on non-accrual status	**811,764**	**735,768**	**1,547,532**
Interest income recognized on impaired loans during the year	**48,957**	**3,286**	**52,243**
Interest income foregone on loans on non-accrual status	**10,813**	**31,758**	**42,571**

	2012		
	Affordable/ Supportive Housing	Community Facilities	Total
Impaired loans with a valuation allowance	$ 628,333	$ 776,702	$ 1,405,035
Allowance related to impaired loans	160,934	93,309	254,243
Average investment in impaired loans during 2012	658,367	753,766	1,412,133
Loans on non-accrual status	579,287	720,261	1,299,548
Interest income recognized on impaired loans during the year	35,139	11,489	46,628
Interest income foregone on loans on non-accrual status	5,090	23,962	29,052

Interest income recognized on a cash basis during 2013 and 2012 was $0.

Note 5. Loans Receivable (Continued)

Impaired loans include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction of interest rate on the loan, payment extensions, forbearance or other actions intended to maximize collection. The following table presents impaired loans classified as troubled debt restructurings and the financial effects of troubled debt restructurings for the years ended June 30, 2013 and 2012:

	2013				
	Number of Loans	**Pre-Modification Outstanding Loan Balance**	**Post-Modification Outstanding Loan Balance**	**Forgiven Principal**	**Lost Interest Income**
Affordable/supportive housing	**2**	**$ 357,829**	**$ 294,040**	**$ 63,789**	**$ 2,555**
Community facilities	**2**	**249,143**	**249,143**	**-**	**11,746**
Total	**4**	**$ 606,972**	**$ 543,183**	**$ -**	**$ 14,301**

	2012				
	Number of Loans	Pre-Modification Outstanding Loan Balance	Post-Modification Outstanding Loan Balance	Forgiven Principal	Lost Interest Income
Affordable/supportive housing	3	$ 579,287	$ 579,287	$ -	$ 5,090
Community facilities	2	720,261	720,261	-	23,962
Total	5	$ 1,299,548	$ 1,299,548	$ -	$ 29,052

As of June 30, 2013, there is one affordable/supportive housing loan with an outstanding balance of $190,000 and one community facilities loan with an outstanding balance of $195,768, which are 2012 troubled debt restructurings that were restructured again during 2013 to grant additional concessions. As of June 30, 2012, there is one affordable/supportive housing loan with an outstanding balance of $255,743 and one community facilities loan with an outstanding balance of $195,768, which are 2011 troubled debt restructurings that were restructured again during 2012 to grant additional concessions.

In its estimate of the specific allowance for loan losses, management considers the probability of troubled debt restructurings and its impact on expected cash flows in accordance with the loan policies and impaired loans guidance for troubled debt restructurings.

Note 6. Pledges Receivable

The Loan Fund has received written pledges from organizations that are unrestricted and available for operating expenses upon collection. The pledges are collectible in succeeding fiscal years. Amounts not expected to be collected within one year have been discounted to their estimated fair value. The Loan Fund uses the allowance method of accounting for doubtful accounts. The year-end allowance balance is based upon review of the current status of existing receivables and management's estimate as to their collectability. At June 30, 2013 and 2012, management determined that no allowance is deemed necessary.

Unconditional pledges receivable are summarized at June 30, 2013 and 2012 as follows:

	2013	2012
Unconditional promises to give before unamortized discount	**$ 22,800**	$ 31,500
Less: unamortized discount	**(389)**	(578)
	$ 22,411	$ 30,922
Amounts due in:		
Less than one year	**$ 10,500**	$ 10,500
One to four years	**11,911**	20,422
	$ 22,411	$ 30,922

Note 7. Notes Payable, Bonds Payable and Lines of Credit

Notes payable, bonds payable and lines of credit are unsecured and include amounts due to foundations, individuals, financial institutions, religious organizations, the federal CDFI Fund and trade associations. The Loan Fund's obligations under notes payable, bonds payable and lines of credit at June 30, 2013 and 2012 consist of the following amounts:

	2013	2012
Unsecured:		
2.0%: Three (3) investment bonds payable, interest only, payable quarterly, maturities 2016 through 2018.	**$ 2,000,000**	$ 2,000,000
2.0%: None (0) and One (1), respectively, note payable, interest only, payable quarterly, matures June 2018. Principal and interest were repaid June 2013.	**-**	1,500,000
2.25%: One (1) and none (0), respectively, line of credit, interest only, payable quarterly, matures November 2017.	**2,500,000**	-
3.0%: One (1) note payable, interest only, payable quarterly, matures April 2017.	**1,000,000**	1,000,000
3.25%: One (1) line of credit, interest only, payable quarterly, matures June 2018.	**750,000**	1,750,000
0%-1.9%: Eight (8) notes payable; various maturities through April 2018.	**86,040**	86,040
2.0%-2.9%: Eighteen (18) notes payable, principal and interest or interest only, payable periodically, various maturities through February 2019.	**3,301,030**	2,378,307
3.0%-3.9%: Seven (7) and thirteen (13), respectively, notes payable and lines of credit, principal and interest or interest only, payable periodically, various maturities through January 2021.	**1,434,000**	1,998,211
	11,071,070	10,712,558
Less current portion	**(1,180,819)**	(881,489)
	$ 9,890,251	$ 9,831,069

Principal maturity requirements on notes payable subsequent to June 30, 2013 are as follows:

Years Ending June 30,	Amount
2014	$ 1,180,819
2015	1,950,251
2016	610,000
2017	1,750,000
Thereafter	5,580,000
	$ 11,071,070

Note 7. Notes Payable, Bonds Payable and Lines of Credit (Continued)

Lines of credit: In the ordinary course of business, the Loan Fund has entered into lines of credit, which includes undisbursed commitments to borrow. Commitments to borrow and the outstanding balances at June 30, 2013 are as follows:

	Total Line of Credit	June 30, 2013 Outstanding
Unsecured line of credit with PNC Bank at a 2.25% interest rate with a maturity date of November 30, 2017 and a draw period through November 31, 2013.	**$ 5,000,000**	$ 2,500,000
Unsecured line of credit with Bank of America at a 3.25% interest rate with a maturity date of June 26, 2018.	**1,750,000**	750,000
Unsecured line of credit with Comerica at a 3% interest rate with a maturity date of July 1, 2014.	**750,000**	500,000
Unsecured line of credit with Jesse Ball duPont at a 2% interest rate with a maturity date of October 25, 2018.	**2,000,000**	-
Unsecured line of credit with Bank United at a 2% interest rate with a maturity date of December 27, 2015.	**1,000,000**	-
Unsecured line of credit with Sabadell United Bank at a 3% interest rate with a maturity date of January 26, 2021.	**250,000**	-
Unsecured line of credit with Trustco Bank at a 3.25% interest rate with a maturity date of August 3, 2015.	**250,000**	-
	$ 11,000,000	$ 3,750,000

Note 8. Other Liabilities – Equity Equivalent Investments

The Organization has outstanding amounts due under equity equivalent subordinated promissory note agreements for at June 30, 2013 and 2012, as follows:

	2013	2012
Wells Fargo, 2% interest only, payable quarterly. Initial ten year term; unsecured; subordinated, and initially matures June 2023, with annual maturity terms thereafter. During July 2013, Wells Fargo funded an additional $250,000, which increased the balance to $2,500,000.	**$ 2,250,000**	$ -
Regions Bank, 2% interest only, payable quarterly. Initial ten year term; unsecured; subordinated and initially matures in January 2016 with annual maturity terms thereafter.	**500,000**	500,000
Regions Bank, 2% interest only, payable annually. Initial ten year term; unsecured; subordinated and matured in July 2012 with annual maturity terms thereafter.	**500,000**	500,000
Wells Fargo, 3% interest only, payable quarterly. Initial ten year term; unsecured; subordinated.	**-**	750,000
	3,250,000	1,750,000
Less current portion	**(500,000)**	(1,250,000)
	$ 2,750,000	$ 500,000

These notes are subordinated to all other debt of the Loan Fund.

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2013 and 2012 are as follows:

	2013	2012
Contributions due in future periods	**$ 22,411**	$ 30,922
Green building initiative	**18,000**	18,000
	$ 40,411	$ 48,922

Contributions due in future periods, presented above at their present value, consist of four and three grants at June 30, 2013 and 2012. The Home Depot Foundation provided a grant to incentivize green affordable housing building as of June 30, 2013 and 2012.

Note 10. Commitments

Commitments to extend credit: In the normal course of business to meet the financing needs of its borrowers the Loan Fund is a party to commitments to extend credit. Those instruments involve, to varying degrees, elements of credit, liquidity and interest rate risk in excess of the amount recognized in the statement of financial position. The Loan Fund uses the same credit policies in making commitments to extend credit as it does for extension of credits recorded in the statements of financial position. The Loan Fund's exposure to credit loss in the event of nonperformance by the other party for commitments to extend credit is represented by the contractual amount of those instruments.

Commitments to extend credit include new loan commitments and line of credit agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since many of the commitments may expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements. There were six new loan commitments at June 30, 2013 for $7,350,000 and six new loan commitments at June 30, 2012 for $2,580,000. In addition, undisbursed borrowers' lines of credit approximated $2,172,000 and $3,385,000 (see Note 4) at June 30, 2013 and 2012, respectively.

The Loan Fund evaluates each borrower's creditworthiness on a case-by-case basis. The amount of collateral obtained, if any, is based on management's credit evaluation of the borrower.

Note 11. Lease Commitments

The Loan Fund leases its office site and other office equipment. The lease agreements are for one to four years and are accounted for as operating leases. Rent expense under the said leases was approximately $75,000 and $69,000 for the years ended June 30, 2013 and 2012, respectively, and is included in occupancy and office and administrative in the accompanying statements of activities. Commitments for future rentals, by year and in the aggregate, to be paid as of June 30, 2013 are as follows:

Year Ending June 30,	Amount
2014	$ 64,586
2015	12,605
2016	6,540
	$ 83,731

Note 12. Employee Retirement Plan

The Loan Fund has a defined contribution retirement plan for employees, which permits pre-tax contributions to the plan by participants pursuant to Section 403(b) of the Internal Revenue Code up to the legal maximums, as defined. The Loan Fund makes contributions based on a formula set forth in its personnel policies. Participants are immediately vested in their contributions and the Loan Fund's contributions. The Loan Fund made contributions to the plan for the fiscal years ending June 30, 2013 and 2012 of $ 111,048 and $122,233, respectively, which are included in payroll and related costs in the accompanying statements of activities.

Note 13. Fair Value Measurements

The fair value measurement accounting literature provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels are defined as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement on a recurring or nonrecurring basis.

The fair values of assets measured at fair value on a recurring basis during the years ended June 30, 2013 are as follows:

	Level I	Level II	Level III	Total
Mutual Funds -				
Short-term bonds	$ 600,544	$ -	$ -	$ 600,544

There were no assets measured at fair value on a recurring basis during the year ended June 30, 2012.

The fair value of actively traded investment securities are based on quoted market prices. Fair value of inactively traded investment securities are based on quoted market prices or similar securities or based on observable inputs like interest rates using either a market or income valuation approach and are generally classified as Level 2.

Note 13. Fair Value Measurements (Continued)

The fair values of assets measured at fair value on a nonrecurring basis during the years ended June 30, 2013 and 2012, are as follows:

	2013			
	Level I	**Level II**	**Level III**	**Provision for Loan Losses (Recoveries)**
Impaired loans	**$ -**	**$ -**	**$ 1,596,788**	**$ (133,979)**

	2012			
	Level I	Level II	Level III	Provision for Loan Losses / (Recoveries)
Impaired loans	$ -	$ -	$ 1,150,792	$ (69,010)

Impaired loans include certain loans for which an allowance for loan losses has been calculated based upon the fair value of underlying real estate collateral. The allowance for loan losses was calculated by reference to real estate appraisals that used a combination of cost, market and income approaches to valuation and/or reported tax assessed values, adjusted to reflect management's estimate of selling costs. In some cases, appraised values were adjusted based on management’s assessment of changes in market conditions since the appraisal date.

Note 14. Subsequent Event

In September 2013, the Loan Fund received a Financial Assistance award from the United States Department of the Treasury's CDFI Fund of $1,347,000 towards its lending programs.

Florida Community Loan Fund, Inc.

Combining Statement of Financial Position
June 30, 2013

	Operating Fund	Community Development Fund	Florida Preservation Fund	Total All Funds
Assets				
Current Assets:				
Cash and cash equivalents	$ 1,635,967	$ 6,123,617	$ 4,916,377	$ 12,675,961
Pledges receivable	10,500	-	-	10,500
Investments	-	600,544	-	600,544
Loans receivable, net of allowance for loan losses	-	2,330,672	240,000	2,570,672
Other current assets	253,401	17,502	17,289	288,192
Total current assets	1,899,868	9,072,335	5,173,666	16,145,869
Pledges Receivable, net of current portion	11,911	-	-	11,911
Loans receivable, net of allowance for loan losses	-	10,705,147	4,844,505	15,549,652
Furniture and Equipment, net of accumulated depreciation	26,494	-	-	26,494
Total assets	$ 1,938,273	$ 19,777,482	$ 10,018,171	$ 31,733,926
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 259,559	$ 16,079	$ 926	$ 276,564
Notes payable, bonds payable and lines of credit, current portion	-	1,180,819	-	1,180,819
Other liabilities – equity equivalent investments, current portion	-	500,000	-	500,000
Total current liabilities	259,559	1,696,898	926	1,957,383
Notes Payable, Bonds Payable, and Lines of Credit, net of current portion	-	7,390,251	2,500,000	9,890,251
Other Liabilities – Equity Equivalent Investments, net of current portion	-	2,750,000	-	2,750,000
Total liabilities	259,559	11,837,149	2,500,926	14,597,634
Net Assets:				
Unrestricted				
Designated by the Board for loans	-	5,779,550	7,677,490	13,457,040
Undesignated	1,656,303	2,142,783	(160,245)	3,638,841
Temporarily restricted	22,411	18,000	-	40,411
Total net assets	1,678,714	7,940,333	7,517,245	17,136,292
Total liabilities and net assets	$ 1,938,273	$ 19,777,482	$ 10,018,171	$ 31,733,926

Florida Community Loan Fund, Inc.

Combining Statement of Activities
Year Ended June 30, 2013

	Operating Fund	Community Development Fund	Florida Preservation Fund	Total All Funds
Revenues:				
Grant and contributions	$ 492,703	$ 32,750	$ -	$ 525,453
Interest on bank deposits	420	3,930	-	4,350
Interest on loans receivable	-	778,824	245,943	1,024,767
Fees and other	2,028,484	5,072	-	2,033,556
Total revenues	2,521,607	820,576	245,943	3,588,126
Expenses:				
Payroll and related costs	1,208,442	-	-	1,208,442
Interest expense	-	287,068	30,925	317,993
Professional fees	201,734	19,046	9,176	229,956
Office and administrative	142,479	-	-	142,479
Occupancy	72,047	-	-	72,047
Other	-	27,026	19,931	46,957
Provision for loan losses (recoveries)	-	(87,815)	113,003	25,188
Membership and training	19,660	-	-	19,660
Depreciation	15,953	-	-	15,953
Marketing	13,847	-	-	13,847
Total expenses	1,674,162	245,325	173,035	2,092,522
Change in net assets	847,445	575,251	72,908	1,495,604
Net assets:				
Beginning	831,269	7,365,082	7,444,337	15,640,688
Ending	$ 1,678,714	$ 7,940,333	$ 7,517,245	$ 17,136,292

Florida Community Loan Fund, Inc.

Combining Statement of Cash Flows
Year Ended June 30, 2013

	Operating Fund	Community Development Fund	Florida Preservation Fund	Total All Funds
Cash Flows From Operating Activities				
Change in net assets	$ 847,445	$ 575,251	$ 72,908	$ 1,495,604
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Depreciation	15,953	-	-	15,953
Provision for loan losses (recoveries)	-	(87,815)	113,003	25,188
Loss from other real estate owned	-	9,000	-	9,000
Changes in operating assets and liabilities:				
Pledges receivable	8,511	-	-	8,511
Other receivables	20,000	-	-	20,000
Other current assets	(114,115)	9,454	1,613	(103,048)
Accounts payable and accrued liabilities	(65,490)	(52,124)	923	(116,691)
Net cash provided by operating activities	712,304	453,766	188,447	1,354,517
Cash Flows From Investing Activities				
Purchase of investments	-	(600,544)	-	(600,544)
Loan funds disbursed	-	(2,759,364)	(2,537,267)	(5,296,631)
Repayment of loans disbursed	-	2,378,842	57,423	2,436,265
Purchase of furniture and equipment	(2,080)	-	-	(2,080)
Net cash used in investing activities	(2,080)	(981,066)	(2,479,844)	(3,462,990)
Cash Flows From Financing Activities				
Proceeds from notes payable, bonds payable and lines of credit	-	1,475,000	1,500,000	2,975,000
Principal payments on notes payable, bonds payable and lines of credit	-	(1,116,488)	-	(1,116,488)
Net cash provided by financing activities	-	358,512	1,500,000	1,858,512
Net increase (decrease) in cash and cash equivalents	710,224	(168,788)	(791,397)	(249,961)
Cash and cash equivalents:				
Beginning	925,743	6,292,405	5,707,774	12,925,922
Ending	$ 1,635,967	$ 6,123,617	$ 4,916,377	$ 12,675,961
Supplemental Cash Flow Information				
Cash paid for interest	$ -	$ 285,388	$ 30,000	$ 315,388
Supplemental Disclosure of Noncash Investing and Financing Activities				
Proceeds from sale of other real estate owned satisfied by the disbursement of a note receivable	$ -	$ 90,000		$ 90,000
Conversion of notes payable into other liabilities – equity equivalent investments	$ -	$ 1,500,000		$ 1,500,000